



DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-017]

Certain Passenger Vehicle and Light Truck Tires from the People's Republic of China: Final Results of Countervailing Duty Administrative Review and Rescission of Review, in Part; 2019

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) determines that certain producers/exporters of certain passenger vehicle and light truck tires from the People's Republic of China (China) received countervailable subsidies during the period of review (POR), January 1, 2019, through December 31, 2019. Additionally, we are rescinding the review for eight companies with no shipments of subject merchandise to the United States during the POR.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Nicholas Czajkowski or Richard Roberts, AD/CVD Operations, Office I, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-1395 and (202) 482-3463, respectively.

SUPPLEMENTARY INFORMATION:

Background

On September 7, 2021, Commerce published the *Preliminary Results* of this review and invited comments from interested parties.¹ On December 6, 2021, Commerce extended the

¹ See *Certain Passenger Vehicle and Light Truck Tires from the People's Republic of China: Preliminary Results of Countervailing Duty Administrative Review Rescission in Part, and Intent To Rescind in Part; 2019*, 86 FR 50027 (September 7, 2021) (*Preliminary Results*), and accompanying Preliminary Decision Memorandum.

deadline for the final results of this administrative review until March 4, 2022.² For a complete description of the events that occurred since the *Preliminary Results*, see the Issues and Decision Memorandum.³

Scope of the Order

The products covered by the order are passenger vehicle and light truck tires from China. For a complete description of the scope of this order, see the Issues and Decision Memorandum.

Analysis of Comments Received

All issues raised by the interested parties in their case and rebuttal briefs are addressed in the Issues and Decision Memorandum. A list of these issues is provided in the Appendix to this notice. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and CVD Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

Changes Since the Preliminary Results

Based on the comments received from interested parties, we revised the calculation of the net countervailable subsidy rates for Sumitomo Rubber (Hunan) Co., Ltd. (SRH), Triangle Tyre Co., Ltd., and the non-selected respondents. For a discussion of these issues, see the Issues and Decision Memorandum.

² See Memorandum, "Passenger Vehicles and Light Truck Tires from the People's Republic of China: Extension of Deadline for Final Results of Countervailing Duty Administrative Review; 2019," dated December 6, 2021.

³ See Memorandum, "Issues and Decision Memorandum for the Final Results of the Countervailing Duty Administrative Review of Certain Passenger Vehicle and Light Truck Tires from the People's Republic of China; 2019," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

Methodology

Commerce conducted this review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found to be countervailable, we determine that there is a subsidy, *i.e.*, a government-provided financial contribution that gives rise to a benefit to the recipient, and that the subsidy is specific.⁴ The Issues and Decision Memorandum contains a full description of the methodology underlying Commerce's conclusions, including any determination that relied upon the use of facts otherwise available, including, adverse facts available, pursuant to sections 776(a) and (b) of the Act.

Rescission of Administrative Review, in Part

It is Commerce's practice to rescind an administrative review of a countervailing duty order, pursuant to 19 CFR 351.213(d)(3), when there are no reviewable entries of subject merchandise during the POR for which liquidation is suspended.⁵ Normally, upon completion of an administrative review, the suspended entries are liquidated at the countervailing duty assessment rate calculated for the review period.⁶ Therefore, for an administrative review of a company to be conducted, there must be a reviewable, suspended entry that Commerce can instruct U.S. Customs and Border Protection (CBP) to liquidate at the calculated countervailing duty assessment rate calculated for the review period.⁷

According to the CBP import data, eight companies subject to this review did not have reviewable entries of subject merchandise during the POR for which liquidation is suspended.⁸ Further, in response to the *Preliminary Results*, no party submitted information to contradict the

⁴ See sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

⁵ See, e.g., *Lightweight Thermal Paper from the People's Republic of China: Notice of Rescission of Countervailing Duty Administrative Review*; 2015, 82 FR 14349 (March 20, 2017); and *Circular Welded Carbon Quality Steel Pipe from the People's Republic of China: Rescission of Countervailing Duty Administrative Review*; 2017, 84 FR 14650 (April 11, 2019).

⁶ See 19 CFR 351.212(b)(2).

⁷ See 19 CFR 351.213(d)(3).

⁸ These companies are: Hankook Tire China Co., Ltd.; Prinx Chengshan (Shandong) Tire Company Ltd.; Qingdao Fullrun Tyre Tech Corp., Ltd.; Qingdao Honghuasheng Trade Co., Ltd.; Qingdao Kapsen Trade Co.; Shandong Habilead Rubber Co., Ltd.; Shandong Hongsheng Rubber Technology Co., Ltd.; and Shandong Qilun Rubber Co., Ltd.

information on the record. Therefore, because there is no evidence on the record of this segment of the proceeding to indicate that these companies had entries, exports, or sales of subject merchandise to the United States during the POR, we are rescinding the administrative review with respect to these companies, consistent with 19 CFR 351.213(d)(3).

Rate for Non-Selected Companies Under Review

There are three companies for which a review was requested and not rescinded, and which were not selected as mandatory respondents. For these companies, we are applying the rate calculated for the sole mandatory respondent, Sumitomo Rubber (Hunan) Co., Ltd. (Sumitomo Rubber), which is above *de minimis* and not based entirely on facts available. This methodology to establish the non-selected subsidy rate is consistent with our practice and uses section 705(c)(5)(A) of the Act, which governs the calculation of the all-others rate in investigations, as guidance.

Final Results of Review

We determine the following net countervailable subsidy rates for the POR January 1, 2019, through December 31, 2019:

Producer/Exporter	Subsidy Rate (percent <i>ad valorem</i>)
Sumitomo Rubber (Hunan) Co., Ltd. and its cross-owned affiliates. ⁹	24.79
Triangle Tyre Co., Ltd. ¹⁰	124.53
Review-Specific Average Rate Applicable to the Following Companies	
Jiangsu Hankook Tire Co., Ltd.	24.79
Qingdao Landwinner Tyre Co., Ltd.	24.79
Shandong Province Sanli Tire Manufacture Co., Ltd	24.79

Disclosure

We intend to disclose to interested parties the calculations and analysis performed for these final results of this review within five days of the date of publication of this notice, in accordance with 19 CFR 351.224(b).

Assessment

In accordance with section 751(a)(2)(C) of the Act and 19 CFR 351.212(b)(2), Commerce shall determine, and CBP shall assess, countervailing duties on all appropriate entries covered by this review. Commerce intends to issue assessment instructions to CBP no earlier than 35 days after the date of this publication of the final results of this review in the *Federal Register*. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

With respect to the companies for which this administrative review is rescinded, countervailing duties shall be assessed at rates equal to the cash deposit rate required at the time

⁹ Commerce finds the following companies to be cross owned with Sumitomo Rubber (Hunan) Co., Ltd.: Sumitomo Rubber (China) Co., Ltd. and Sumitomo Rubber (Changshu) Co. Ltd.

¹⁰ This rate is based on the rates for the respondents that were selected for individual review, excluding rates that are zero, *de minimis*, or based entirely on facts available. See section 705(c)(5)(A) of the Act.

of entry, or withdrawal from warehouse, for consumption, during the period January 1, 2019, through December 31, 2019, in accordance with 19 CFR 351.212(c)(1)(i).

Cash Deposit Requirements

In accordance with section 751(a)(1) of the Act, Commerce also intends to instruct CBP to collect cash deposits of estimated countervailing duties in the amounts shown above for the above-listed companies with regard to shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of these final results of review. For all non-reviewed firms, CBP will continue to collect cash deposits of estimated countervailing duties at the most recent company-specific or all-others rate applicable to the company, as appropriate. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Administrative Protective Order

This notice serves as a final reminder to parties subject to administrative protective order (APO) of their responsibility concerning the destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

Notification to Interested Parties

These final results are issued and published in accordance with sections 751(a)(1) and 777(i) of the Act and 19 CFR 351.221(b)(5).

Dated: March 3, 2022.

Lisa W. Wang,
Assistant Secretary
for Enforcement and Compliance.

Appendix

List of Topics Discussed in the Issues and Decision Memorandum

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- II. Background
- III. Scope of the Order
- IV. Subsidies Valuation
- V. Use of Facts Otherwise Available and Application of Adverse Inferences
- VI. Analysis of Programs
- VII. Analysis of Comments
 - Comment 1: Whether Commerce Should Reverse its Decision to Countervail the Export Buyer's Credit Program (EBCP) based on Adverse Facts Available (AFA)
 - Comment 2: Whether Commerce Should Reverse its Decision to Apply AFA in Finding that the Domestic Producers that Supplied Inputs are "Authorities"
 - Comment 3: Whether Commerce Should Use World Export Prices as the Tier-Two Benchmark Prices to Calculate the Alleged Input Subsidies
 - Comment 4: Whether Commerce Should Adjust for Ocean Freight if it Continues to Rely on Import Prices as the Tier-One Benchmark for Inputs
 - Comment 5: Whether Commerce Should Apply AFA on Electricity for LTAR
 - Comment 6: Whether Commerce Should Apply AFA to "Other Subsidies"
 - Comment 7: Whether Commerce Should Treat the Assistance for Deployment of Trade as an Export Subsidy for SRH
 - Comment 8: Whether Commerce Should Apply a Separate Adverse Rate for the Enterprise Income Tax Law, R&D Program
- VIII. Recommendation

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